

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL MEMORANDUM**

**HB 980 – SB 1685**

April 7, 2009

**SUMMARY OF AMENDMENT (005856):** Authorizes nongovernmental utilities that enter into mutual assistance agreements with governmental utility systems for the purpose of providing aid or assistance to be eligible for reimbursement of all out-of-pocket costs incurred by such nongovernmental utility.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Expenditures – Not Significant

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Expenditures – Not Significant**

**Increase Local Expenditures – Exceeds \$100,000/Permissive**

Assumptions applied to amendment:

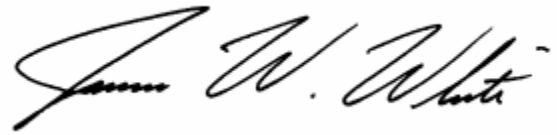
- Any cost to the state can be accommodated within existing resources without an increased appropriation or reduced reversion.
- Authorizes a private utility that assists a local government in time of emergency to be eligible for reimbursement of costs incurred by such private utility.
- The fiscal impact to local government would depend upon whether a local government chose to enter into a mutual agreement for assistance with a private utility system.
- The cost to local government to reimburse a private utility system providing assistance is dependent upon several unknown factors such as what kind of emergency situation has occurred and the extent of the emergency, which counties need assistance, what kind of assistance is needed, and length of time assistance is required.
- Such assistance could range from replacing a broken electric pole to assistance after a natural disaster.

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- The cost to local government to provide reimbursement for aid could exceed \$100,000. However, such request for assistance would be at the option of the local government.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rct